

## **Remarks**

### **I. Introduction**

This is in response to the Office Action dated April 5, 2007. A Power of Attorney and Change of Correspondence Address was filed by Applicant on January 5, 2007 along with an RCE and Amendment. The Office Action dated April 5, 2007 was in response to these papers. Despite Applicant's filing of the Power of Attorney and Change of Correspondence Address, the Office Action dated April 5, 2007 was mailed to an incorrect address.

To avoid further mailing error, the Change Of Correspondence Address dated December 13, 2005 is being submitted again herewith. Applicant would appreciate positive notification of both the receipt of this paper and a change of correspondence address in the USPTO's mailing information in the next communication.

Claims 1-4, 6-7, 9-14, 16-17 and 19-20 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent Application No. 2002/0198803 ("Rowe") in view of U.S. Patent No. 5,923,016 ("Fredregill"). Claims 21-24 were rejected under 35 U.S.C. §103(a) as being unpatentable over Rowe in view of Fredregill in view of "New B of A Card Offers Discounts on Bank Products", by Jennifer Kingson Bloom, Published December 1, 1997 ("Bloom").

Claims 1, 7, 11, and 17 have been amended to more particularly point out and distinctly claim the subject matter Applicants regard as the invention. Claims 5, 8, 15, and 18 were previously canceled. Claims 1-4, 6, 7, 9-14, 16, 17 and 19-24 remain for consideration.

### **II. §103(a) Rejections**

Claims 1-4, 6-7, 9-14, 16-17 and 19-20 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Rowe in view of U.S. Patent No. Fredregill. Claims 21-24 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Rowe in view of Fredregill in view of Bloom. In response, Applicant has amended independent claims 1 and 11.

For the following reasons, neither Rowe, Fredregill, nor Bloom, alone or in combination, teach or suggest all elements of amended independent claims 1 and 11.

Amended independent claim 1 recites, among other things, "accruing earned value for future consumption of the consumed item based on the principal and an interest rate applied to the principal." Amended independent claim 11 recites similar limitations. No new matter has been added by these amendments. Support for these amendments may be found in Applicant's Specification at least at paragraphs [0004], [0005], [0010], [0011], [0015], and [0026].

As claimed in amended independent claims 1 and 11, the principal corresponds to "a consumed item" and an "earned value" (e.g., interest) is accrued "based on the principal and an interest rate applied to the principal." That is, an interest rate, either fixed or variable, is applied to the principal so that a consumer earns value (e.g. interest) based on the deposited principal and an interest rate in a manner consistent with known interest bearing accounting practices. In other words, a percentage of the principal is earned each time period. For example, if the "principal" deposited each year (e.g., the time period) is \$1000 and the "interest rate" is 5% per year compounded yearly for a period of three years, then, after a three year period depositing \$1000 worth of "principal" per year, the consumer may have earned \$300 of "earned value." See, for example, Applicant's Specification, paragraph [0010].

In contrast, Rowe discloses, in paragraphs [0010]-[0013], defined benefit programs. While such a program, such as "the American Express Platinum Cash Rebate Cards which gives 2% cash back on purchases" (Rowe, paragraph [0012]), may be based on a percentage (e.g., a rate), this is not an *interest* rate applied to the principal. The "cash back" percentage described in Rowe is earned regardless of time period and is thus not an "interest rate." That is, no matter when the "2% cash back" is given to the consumer, it is only 2% of the original principal. In the exemplary three year situation with \$1000 of principal deposited each year described above and in Applicants' Specification, a 5% cash back program would earn the consumer \$50 in each year even though the principal has ballooned to \$3000 in the third year. This is not the same as the interest rate described above and claimed in Applicant's amended independent claims 1 and 11.

Applicant respectfully submits that no other section of Rowe described such an "interest rate applied to the principal" either. Accordingly, Rowe fails to show this

limitation of amended independent claims 1 and 11. Applicant submits that Fredregill and Bloom fail to cure the deficiencies of Rowe and the Examiner has pointed to no portions of these or any other references that discuss an "interest rate" in the context of present independent claims 1 and 11.

Thus, neither Rowe, Fredregill, nor Bloom teach or suggest "accruing earned value for future consumption of the consumed item based on the principal and an interest rate applied to the principal" as claimed in amended independent claim 1 and similarly in amended independent claim 11. Accordingly, neither Rowe, Fredregill, nor Bloom, alone or in combination, teach all elements of amended independent claims 1 and 11. Therefore, amended independent claims 1 and 11 are not obvious in view of any of the cited references, either alone or in combination. As a result, claims 1 and 11 are allowable. It follows that since claims 2-4, 6, 7, 9-10, 12-14, 16, 17 and 19-24 are dependent upon an allowable independent claim, that those claims are also allowable.

### III. Conclusion

For the reasons discussed above, all pending claims are allowable over the cited art. Reconsideration and allowance of all claims is respectfully requested.

Respectfully submitted,



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